

Department of Veterans Affairs

§ 21.4507

(d) *Default.* Whenever VA determines that a default, in whole or in part, has occurred on any such loan the eligible spouse or surviving spouse shall be notified that the amount of the default shall be recovered from the eligible spouse or surviving spouse concerned in the same manner as other debt due the United States. Once a default has occurred, the eligible spouse's or surviving spouse's subsequent reentrance into training at the half-time or greater rate shall not be the basis for rescinding the default. A default may only be rescinded when VA has been led to create the default as a result of a mistake of fact or law.

(Authority: 38 U.S.C. 3698 (e)(1))

(e) *Death or disability.* If the eligible spouse or surviving spouse dies or becomes permanently and totally disabled, even though he or she ceases to be permanently and totally disabled subsequent to the granting of the loan, the remaining liability of such person for an educational loan shall be discharged.

(f) *Fraud.* Material misrepresentation of fact by the eligible spouse or surviving spouse, including omissions of relevant information, shall render the loan agreement null and void. The deferred payment provisions of the agreement shall not apply in such a case and the full amount of any loan balance shall become due and payable immediately. The amount due shall be recovered from the eligible spouse or surviving spouse in the same manner as any other debt due the United States.

(g) *Signature.* An eligible spouse or surviving spouse may sign both the loan application and the promissory note required and payment of the amounts authorized will be made to such person, notwithstanding his or her minority, unless the person has a legal guardian. In such cases the legal guardian must sign and will be paid the loan amounts.

[40 FR 31765, July 29, 1975, as amended at 48 FR 37997, Aug. 22, 1983; 52 FR 5963, Feb. 27, 1987; 52 FR 7276, Mar. 10, 1987; 61 FR 26116, May 24, 1996]

§ 21.4505 Check delivery.

(a) *General.* Education loans by the Department of Veterans Affairs shall

be made by a check payable to the eligible spouse or surviving spouse and shall be mailed promptly to the educational institution in which the eligible spouse or surviving spouse is enrolled for delivery by the educational institution.

(b) *Delivery and certification.* (1) The educational institution, electing to participate in this program, shall deliver an education loan check to the eligible spouse or surviving spouse and shall certify the fact of delivery to the Department of Veterans Affairs immediately upon delivery. If the delivery is not made within 30 days after the institution receives the check, it shall return the check to the Department of Veterans Affairs.

(2) The Director of the Department of Veterans Affairs facility of jurisdiction may direct that education loan checks be sent directly to spouses or surviving spouses when:

(i) The educational institution demonstrates an inability to comply with these requirements; or

(ii) The educational institution fails to provide adequately for the safekeeping of the checks prior to the delivery to the student or return to the Department of Veterans Affairs; or

(iii) The educational institution elects not to participate in this program; or

(iv) There is compelling evidence that the institution is unable to discharge its responsibilities under this program.

(Authority: 38 U.S.C. 3512(f), 3698)

[44 FR 62508, Oct. 31, 1979, as amended at 61 FR 26116, May 24, 1996]

§ 21.4507 Advertising.

(a) *General.* No educational institution or training establishment shall include a statement in advertisements or brochures intended to solicit students as to the availability of education loans from the Department of Veterans Affairs for eligible spouses and surviving spouses, except as provided in paragraph (b) of this section.

(b) *Form.* The statement which is permitted shall be as follows: "Certain eligible spouses and surviving spouses may qualify for a maximum educational loan of \$2,500 per academic

§ 21.4800

year from the Department of Veterans Affairs depending upon need. Applications for such loans shall be made to the Department of Veterans Affairs on forms prescribed by it.”

(Authority: 38 U.S.C. 3512(f), 3696, 3698(b))

[44 FR 62510, Oct. 31, 1979, as amended at 61 FR 26116, May 24, 1996]

Subparts F-1—F-2 [Reserved]

Subpart F-3—Service Members Occupational Conversion and Training Program

AUTHORITY: 10 U.S.C. 1143 note; sec. 4481-4497, Pub. L. 102-484, 106 Stat. 2757-2769; sec. 610, Pub. L. 103-446, 108 Stat. 4673-4674, unless otherwise noted.

SOURCE: 60 FR 5852, Jan. 31, 1995, unless otherwise noted.

GENERAL

§ 21.4800 Service Members Occupational Conversion and Training Program.

Sections 21.4800 through 21.4856 regulate a Service Members Occupational Conversion and Training Program. The purpose of this program is to assist members of the Armed Forces who are forced or induced to leave military service by reason of the drawdown of the Armed Forces and to provide the Secretary of Defense with another tool to manage that drawdown. The program assists eligible persons in entering the civilian workforce through training for employment in a stable and permanent position that involves significant training. VA makes payments to employers who employ and train eligible veterans in these jobs. The payments assist employers in defraying the costs of necessary training.

(Authority: Subtitle G, Pub. L. 102-484, 106 Stat. 2757-2769, 10 U.S.C. 1143 note)

§ 21.4801 [Reserved]

§ 21.4802 Definitions.

For the purpose of the Service Members Occupational Conversion and Training Program described in §§ 21.4800 through 21.4856 the following definitions apply.

38 CFR Ch. I (7-1-98 Edition)

(a) *Active duty*. The term *active duty* means:

(1) Full-time duty in the Armed Forces, other than active duty for training,

(2) Full-time duty (other than for training purposes) as a commissioned officer of the Regular or Reserve Corps of the Public Health Service;

(3) Full-time duty as a commissioned officer of the National Oceanic and Atmospheric Administration;

(4) Service as a cadet at the United States Military, Air Force or Coast Guard Academy, or as a midshipman at the United States Naval Academy, and

(5) Authorized travel to or from such service.

(Authority: 106 Stat. 2757, Pub. L. 102-484, sec. 4483(2), 10 U.S.C. 1143, note)

(b) *Active duty for training*. (1) The term *active duty for training* means:

(i) Full-time duty in the Armed Forces performed by Reserves for training purposes,

(ii) Full-time duty for training purposes performed as a commissioned officer of the Reserve Corps of the Public Health Service,

(iii) In the case of members of the Army National Guard or the Air National Guard of any State, full-time duty under section 316, 592, 593, 594 or 505 of title 32, U.S. Code,

(iv) Duty performed by a member of a Senior Reserve Officers' Training Corps program when ordered to such duty for the purpose of training or a practice cruise under chapter 103 of title 10, U.S. Code for a period of not less than four weeks and which must be completed by the member before the member is commissioned, and

(v) Authorized travel to or from such duty.

(2) The term does not include duty performed as a temporary member of the Coast Guard Reserve.

(Authority: 106 Stat. 2757, Pub. L. 102-484, sec. 4483(2), 10 U.S.C. 1143, note)

(c) *Active military, naval or air service*. The term *active military, naval or air service* includes active duty, any period of active duty for training during which the individual concerned was disabled from a disease or injury incurred or aggravated in line of duty,